

Fourth Quarter 1993 Work Plan Summary

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CAMEL October

November

December

CAMEL Cash IV Lotto Work Plan POS Changeover	CAMEL Cash IV Lotto B2GF Lighter
CAMEL Opportunistic Programs Blaze Orange Hunting Cap B2G2 Lighters	B1GTN Get Free Set of Holiday Lighters
Work balance of CAMEL carryover premiums	

WINSTON

WINSTON Select \$2.00/\$20 Promotion
Work Balance of WINSTON Carryover Premiums

SALEM

Work Balance of SALEM Carryover Premiums
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DORAL/MONARCH

DORAL B1G1F
MONARCH B1G1F
MONARCH Distribution Drive (70% Distribution)
New DORAL/MONARCH POS

OTHER

Re-sign Merchandising Contracts Effective Date 1/1/94
Volume Verification/Complete Master List Updates

NEW DORAL AND MONARCH POS

As a result of the August price rollback, a new ad campaign, "DORAL Taste," will be initiated through new POS at retail beginning fourth quarter. The current campaign, "Taste and Value," will be discontinued and will not be available for ordering after September 3. Effective September 7, the Sales Materials System will accept orders for the new "DORAL Taste " POS.

MONARCH POS will have a new bolder look and a wider variety of work plan POS items available. MONARCH's new ad campaign will be "Affordable Quality" during the fourth quarter.

During normal coverage, all "old" DORAL and MONARCH POS should be replaced with the new POS at retail. In addition, division backrooms, outside storage areas and Reps' vehicles should be cleared of old POS and replaced with new. See attachment 1 for DORAL and MONARCH POS descriptions and item numbers.

DORAL AND MONARCH B1G1F

- Placement of all DORAL and MONARCH B1G1F product during fourth quarter should occur only in either or both of the following two situations:
 - To gain adult smoker trial upon placing brand into distribution (MONARCH).
 - To compete with/attain parity with a key competitor's B1G1F (DORAL/MONARCH).

51854 1409

MONARCH DISTRIBUTION DRIVE

- Utilize the MONARCH Distribution Program elements to aggressively gain and increase MONARCH distribution, merchandising/display presence and superior price communication while not disadvantaging RJR Private Label brands in chains with whom we have a partnership. (National objective = 70% minimum by December 3).
- Sell-in high inventory levels to retail outlets to give MONARCH a "big brand" presence as well as to ensure out of stocks are eliminated. It is critical that adult smokers who have tried MONARCH via B1G1F and/or a buydown are able to repurchase the brand consistently.

PARITY PRICING BUYDOWN STRATEGY

DORAL

- Do not utilize coupons nor place VPRs that communicate "cents off" or "dollars off."
- Emphasis on DORAL to establish it as "The Premier Savings Brand" via competitive pricing and leveraging its equity.
- Match key competitors as necessary to be at price parity communicating NET PRICE only. Key competitors are all other branded savings such as Montclair, Cambridge, Alpine, Viceroy, etc. plus Basic. All exceptions to this, i.e., GPC, must be discussed with and approved by your sales area.
- In addition to net pricing on POS, indicate "No Coupon Required."

MONARCH

- Do not utilize coupons nor place VPRs that communicate "cents off" or "dollars off."
- Utilize MONARCH to compete for those consumers who are only interested in the lowest price.
- Aggressively match pricing with any key/significant lowest priced brand(s) via buydowns, i.e., GPC, Basic, Prime/Private Stock, Eagle, Competitive PLs, etc.

BEST VALUE

- Where Best Value is strong, continue to buy down/support to maintain consumers who are only interested in the lowest price, while establishing Monarch at the same lowest price point.

51854 1410

Fourth Quarter Promotions

CAMEL - Previously Planned

CAMEL B2G2F Lighters w/Lotto Insert

Promotion #303452 [Ⓢ] - October DTS

CAMEL B2G2F Lighters w/Cash IV Catalog Insert (non-Lotto states)

Promotion #304855 [Ⓢ] - October DTS

CAMEL B3GF Blaze Orange Hunting Cap

Promotion #303453 [Ⓢ] - October DTS

CAMEL - New Programs

Lotto States

- CAMEL B2G1 Lotto Lighter w/Lotto Insert
Promotion #304935 [Ⓢ] - November/December DTS
- CAMEL Buy Ctn Get 5 Lighters Lotto Holiday Lighter Set
Promotion #304933 [Ⓢ] - December DTS

Non-Lotto States (Massachusetts, Michigan, Virginia)

- CAMEL B2G1 Brass or Chrome Lighter w/Cash IV Catalog
Promotion #304958 [Ⓢ] - November/December DTS
- CAMEL Buy Ctn Get 5 Lighters Holiday Lighter Set
Promotion #304934 [Ⓢ] - November/December DTS

NOTE: Please ensure that you load at least 25% of all fourth quarter CAMEL retail promotions with CAMEL Special Light styles.

DORAL B1G1F

Promotions #304983 [Ⓢ] and 304895 [Ⓢ] - October/November/December DTS (All Regions except St. Louis & Richmond)

Promotion #304982 [Ⓢ] - October/November/December DTS (St. Louis & Richmond Regions Only)

MONARCH B1G1F

Promotion #304899 [Ⓢ] - October/November/December DTS

Carryover Premiums

Previously Allocated [Ⓢ] - October/November/December DTS

Newly Allocated [Ⓢ] - October/November/December DTS

NOTE: RSMs will provide newly allocated promotion #s. Refer to existing promotion #s for previously allocated premiums.

[Ⓢ] Allocations available for viewing on-line.

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